Air fares competition

†2827. SHRI R.S. GAVAI: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that many domestic airlines place advertisement in the newspapers regarding fares;

(b) whether it is also a fact that many a time these advertisements are misguiding;

(c) whether it is a fact that many domestic airlines companies have entered Indian skies and a kind of price war has begin;

(d) whether it is also a fact that this situation can lead to bankruptcy of many companies that amounts to loss to Indian aviation industry;

(e) if so, whether Government propose to fix minimum fare on each domestic sector;

(f) if so, the details thereof; and

(g) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Yes, Sir.

(b) No such complaint has been received in the recent past.

(c) to (g) Domestic air fares are not regulated by the Government after the repeal of Air Corporation Act 1953. Domestic airlines are free to charge air fares in their commercial judgement as per the market forces. The airlines are operating in highly competitive market. It is the Government's view that the market forces should be allowed full play for better passenger amenities at competitive prices.

Subsidy on airservices of North-Eastern States

2828. SHRI S.P.M. SYED KHAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Government's efforts in making availability of airservices in the North-East and other inaccessible areas are lagging behind the expectations;

---

†Original notice of the question was received in Hindi.

(b) if so, the details thereof;

(c) whether Government provide subsidies for air operations in those areas; and

(d) if so, the details of Government's support to the carriers with regard to making air services more effective in the inaccessible areas?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) No, Sir. Government has laid down Route Dispersal Guidelines with a view to achieve better regulation of air transport services taking into account the need for air transport services of different regions of the country. In terms of the guidelines, all scheduled airlines are required to deploy atleast 10% of the capacity deployed by them on trunk routes (*i.e.* Category I routes) on the routes to North Eastern States, Jammu & Kashmir, Andaman & Nicobar Islands and Lakshadweep (*i.e.* Category II routes). 10% of the capacity so deployed on Cat-II routes has to be deployed for connectivity within these regions. Director General of Civil Aviation (DGCA) monitors the compliance with these guidelines on a regular basis.

(c) and (d) Airports Authority of India have reduced Landing and Parking charges at all airports in North Eastern Region, Jammu & Kashmir, Andaman & Nicobar and Lakshadweep (other than Defence Airports) by 25% of current rates, following concessions are also available to airlines in general:

(i) Route Navigational Facility Charges are being charged at 20% on the aircraft weighing upto 10000 kg.

(ii) Route Navigational Facility Charges are being charged at 40% on the aircraft weighing between 10000 kg to 20000 kg.

(iii) No landing charges are levied on aircraft with capacity of less than 80 seats operated by domestic scheduled operator and also on helicopters of all types.

(iv) 15% discount is provided to the Domestic Operator if the payment is made within the credit period.

(v) Small operators are given concession on Landing, Terminal Navigational Landing Charges and Parking Charges.